

## **DIRECTORS' REPORT**

To  
The Shareholders of  
**Youngthang Power Ventures Limited**

Your Directors have pleasure in submitting their Eighth Annual Report, together with the Audited Accounts of the Company, for the period 1<sup>st</sup> October, 2014 to 31<sup>st</sup> March, 2016 (the "Period").

### **1. FINANCIAL RESULTS:**

The Company has incurred loss of Rs.31,41,767/- for the Period; which has been carried to the Balance Sheet.

### **2. PROJECT STATUS:**

The project involves the development of a 261 MW run-of-the-river hydroelectric power project in Himachal Pradesh on a BOOT basis at an estimated cost of Rs.250,000 Lakhs. The concession period of the project is 40 years post commencement of commercial operations.

Presently, the activities related to preparation of Detailed Project Report ("DPR") are in progress. There is a temporary suspension of geotechnical studies due to Environmental issues raised by the locals. Matter has been taken up with Government of Himachal Pradesh for early resolution of the issues to enable the company to complete the Geotechnical Studies and complete the DPR.

### **3. DIVIDEND / TRANSFER TO RESERVES:**

In view of loss during the year, the Directors have not recommended any dividend for the financial year under review. No amount is transferred to any reserve.

### **4. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THE REPORT:**

There are no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this Report.

### **5. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO:**

Presently, the activities related to preparation of Detailed Project Report are in progress and there is a temporary suspension of geotechnical studies due to Environmental issues raised by the locals. In view of the same the other particulars required to be provided in terms of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 are not applicable. The Company has neither earned nor spent any foreign exchange during the Period.

## **6. PARTICULARS OF EMPLOYEES:**

During the Financial Year / Period or any part of it, the Company has not employed any employee in receipt of remuneration in excess of the limits specified under Section 197 of the Companies Act, 2013, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

## **7. DIRECTORS' RESPONSIBILITY STATEMENT:**

In accordance with Section 134(5) of the Companies Act, 2013, the Directors to the best of their knowledge and ability confirm that:

- i. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that Period;
- iii. They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. they have prepared the annual accounts on a going concern basis;
- v. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **8. BOARD OF DIRECTORS:**

Mr. Hemant Chandel joined the Board as an Additional Director on 28<sup>th</sup> March, 2016 and holds office upto the date of the ensuing Annual General Meeting of the Company.

The notice under Section 160 of the Companies Act, 2013, along with the requisite deposit has been received from the member signifying their intention to propose Mr. Hemant Chandel as the candidate to the office of Director of the Company.

Mr. Vinod Kumar resigned from the Directorship w.e.f. 28<sup>th</sup> March, 2016.

Mr. Kishor Kumar Mohanty, Director, retires by rotation at the ensuing Annual General Meeting of the Company and being eligible, has offered himself for re-appointment.

## **9. NUMBER OF MEETINGS OF THE BOARD:**

Nine Board meetings were held during the financial year. These were held on 4<sup>th</sup> November, 2014, 15<sup>th</sup> November, 2014, 3<sup>rd</sup> March, 2015, 9<sup>th</sup> June, 2015, 11<sup>th</sup> September, 2015, 3<sup>rd</sup> October, 2015, 30<sup>th</sup> November, 2015, 12<sup>th</sup> January, 2016 and 28<sup>th</sup> March, 2016

The intervening gap between the Meetings was not more than 120 days as prescribed under the Companies Act, 2013. Details of attendance by each Director at the said Board meetings are as under:

<b>Name of Director (s)</b>	<b>Number of Meetings held</b>	<b>Attended</b>
Mr. Kishor Kumar Mohanty	9	4
Mr. Mandar Gite*	9	9
Mr. Kshitiz Bhasker**	1	1
Mr. Hemant Chandel***	1	1
Mr. Vinod Kumar ****	8	8

\* Appointed as the Director w.e.f. 4<sup>th</sup> November, 2014.

\*\* Ceased to be a Director w.e.f. 4<sup>th</sup> November, 2014.

\*\*\* Appointed as the Director w.e.f. 28<sup>th</sup> March, 2016.

\*\*\*\* Ceased to be a Director w.e.f. 28<sup>th</sup> March, 2016.

#### **10. POLICY ON DIRECTORS' APPOINTMENT, REMUNERATION AND OTHER DETAILS:**

No formal policy on Directors' appointment, remuneration and other details has been formulated by the Board.

#### **11. RISK MANAGEMENT:**

The Company has not developed and implemented a formal risk management policy for the Company. However, the Board of Directors periodically as a part of its review of the business consider and discuss the external and internal risk factors like markets related, logistics related, Government policy related matters that may threaten the existence of the Company.

#### **12. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

Details of loans, guarantees or investments given or made by the Company as covered under Section 186 of the Companies act, 2013 are given in the Schedule 5 to the Financial Statements.

#### **13. EXTRACT OF THE ANNUAL RETURN:**

As provided under Section 92(3) of the Companies Act, 2013, the extract of annual return is given in Annexure I in the prescribed Form MGT-9, which forms part of this report.

#### **14. TRANSACTION WITH RELATED PARTIES:**

The Company has not made any related party transactions covered under the provisions of section 188 of the Companies Act, 2013 hence; prescribed Form AOC-2 is not applicable.

## 15. EXTRACT OF THE ANNUAL RETURN:

As provided under Section 92(3) of the Companies Act, 2013, the extract of annual return is given in Annexure I in the prescribed Form MGT-9, which forms part of this report.

## 16. AUDITORS:

The retiring Auditors, M/s. Natvarlal Vepari & Co., Chartered Accountants being eligible have offered themselves for re-appointment. The requisite consent and certificate under Section 139 of the Companies Act, 2013, has been received from them. Your Directors recommend their re-appointment as the auditors of the Company, to hold office from the conclusion of the Eighth Annual General Meeting until the conclusion of the Tenth Annual General Meeting of the Company, subject to ratification of re-appointment by the members at every Annual General Meeting of the Company held after this Annual General Meeting during the tenure of their re-appointment.

## 17. AUDITORS REPORT:

In the opinion of the Directors, the observation made by the Auditors in their Report are self-explanatory and do not require any clarification by the Directors.

## 18. AUDIT COMMITTEE:

The Audit Committee of the Board oversees and reviews the financial reporting system and disclosures of its financial results. This Committee reviews the adequacy of internal audit procedures, systems and quality of audits, recommends the appointment of statutory auditors and discusses with them the internal control system. The composition of the Audit Committee is as follows:

Mr. Mandar Gite, Chairman  
Mr. Kishor Kumar Mohanty, Member  
Mr. Hemant Chandel, Member

Two meetings of the Board were held during the financial year.

Name of Director (s)	Number of Meetings held	Attended
Mr. Kishor Kumar Mohanty	2	2
Mr. Mandar Gite*	2	2
Mr. Hemant Chandel**	1	1
Mr. Vinod Kumar ***	1	1

\* Appointed as the Chairman of Audit Committee w.e.f. 4<sup>th</sup> November, 2014.

\*\* Appointed as the Member of Audit Committee w.e.f. 28<sup>th</sup> March, 2016.

\*\*\* Ceased to be a Member of Audit Committee w.e.f. 28<sup>th</sup> March, 2016.

## 19. CHANGE IN THE NATURE OF BUSINESS:

There has been no change in the nature of business during the year under review.

**20. DEPOSITS:**

The Company has not accepted any deposits covered under Chapter V of the Act.

**21. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:**

There are no significant / material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

**22. CORPORATE SOCIAL RESPONSIBILITY:**

CSR related provisions of the Companies act, 2013 do not apply to the Company as the Company does not meet profit, turnover or net worth criteria prescribed in this regard.

**23. VIGIL MECHANISM / WHISTLE BLOWER POLICY:**

The Company is yet to establish a vigil mechanism / whistle blower policy.

**24. SUBSIDIARIES / ASSOCIATES / JOINT VENTURES:**

The Company does not have any subsidiary or associate company or joint venture.

**25. KEY MANAGERIAL PERSONNEL:**

The Board would like to inform that necessary steps are being taken for the appointment of relevant managerial personnel.

**26. NOMINATION & REMUNERATION COMMITTEE:**

The Board is in the process of constituting Nomination & the Remuneration Committee.

**27. ACKNOWLEDGEMENT:**

The Directors wish to express their sincere gratitude to the State Government, the commercial banks and the financial institutions for their continued co-operation and assistance.

For and on behalf of the Board  
of **Youngthang Power Ventures Limited**

Mandar Gite	Kishor Kumar Mohanty
Director	Director
DIN: 06651204	DIN: 00080498

Place: Mumbai  
Date: 6<sup>th</sup> June, 2016

## ANNEXURE II

### Form No. MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON  
31.03.2016

*[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the  
Companies (Management and Administration) Rules, 2014]*

#### **I. REGISTRATION AND OTHER DETAILS:**

<b>i.</b>	CIN	U40101HP2008PLC030953
<b>ii.</b>	Registration Date	29.08.2008
<b>iii.</b>	Name of the Company	Youngthang Power Ventures Limited
<b>iv.</b>	Category / Sub-Category of the Company	Company Limited by shares / Indian Non-Government Company.
<b>v.</b>	Address of the Registered office and contact details	177/1, Nirsu Village, Dutt Nagar, Rampur Bushahr, District Shimla, Himachal Pradesh – 172 001.
<b>vi.</b>	Whether listed company	No
<b>vii.</b>	Name, Address and Contact details of Registrar and Transfer Agent, if any	N. A.

#### **II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

<b>Sr. No.</b>	<b>Name and Description of main products / services</b>	<b>NIC Code of the Product/</b>	<b>% to total turnover of the company</b>
<b>1</b>	Electric power generation by hydroelectric power plants	35101	N. A.

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
1.	Gammon Infrastructure Projects Limited Gammon House, Veer Savarkar Marg, Prabhadevi, Mumbai – 400 025. Phone no.: (022) 6748 7200	L45203MH2001PLC131728	Holding Company	100.00 %	Section 2(46)

### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

#### i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter</b>									
<b>1) Indian</b>									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	1,44,49,994	6	1,44,50,000	100	1,44,49,994	6	1,44,50,000	100.00	
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total(A)(1)</b>	<b>1,44,49,994</b>	<b>6</b>	<b>1,44,50,000</b>	<b>100.00</b>	<b>1,44,49,994</b>	<b>6</b>	<b>1,44,50,000</b>	<b>100.00</b>	
<b>2) Foreign</b>									
g) NRIs- Individuals	-	-	-	-	-	-	-	-	-
h) Other- Individuals	-	-	-	-	-	-	-	-	-
i) Bodies Corp.	-	-	-	-	-	-	-	-	-
j) Banks / FI	-	-	-	-	-	-	-	-	-
k) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A)(2):-	-	-	-	-	-	-	-	-	-
<b>Total Promoter Shareholding</b>	<b>1,44,49,994</b>	<b>6</b>	<b>1,44,50,000</b>	<b>100.00</b>	<b>1,44,49,994</b>	<b>6</b>	<b>1,44,50,000</b>	<b>100.00</b>	

(A)=(A)(1)+(A)(2)										
<b>B. Public Shareholding</b>										
<b>1. Institutions</b>										
a) Mutual Funds	-	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-	-
g) FII's	-	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1)</b>	-	-	-	-	-	-	-	-	-	-
<b>2. Non Institutions</b>										
a) Bodies Corp. (i) Indian (ii) Overseas	-	-	-	-	-	-	-	-	-	-
b) Individuals  (i) Individual shareholders holding nominal share capital upto Rs. 1 lakh  (ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-	-
c) Others(Specify)	-	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2)</b>	-	-	-	-	-	-	-	-	-	-
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	-	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>1,44,49,994</b>	<b>6</b>	<b>1,44,50,000</b>	<b>100.00</b>	<b>1,44,49,994</b>	<b>6</b>	<b>1,44,50,000</b>	<b>100.00</b>		



*ii. Shareholding of Promoters*

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1.	Gammon Infrastructure Projects Ltd.	1,44,50,000	100.00	-	1,44,50,000	100.00	-	-
	<b>Total</b>	<b>1,44,50,00</b>	<b>100.00</b>	<b>-</b>	<b>1,44,50,000</b>	<b>100.00</b>	<b>-</b>	<b>-</b>

*ii. Change in Promoters' Shareholding (please specify, if there is no change: N.A.*

Sr. no		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	-	-	-	-
-	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	-	-	-	-

**iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDR and ADRs):N.A.**

Sr. No.	Name of Shareholder	Shareholding	Date	Increase/ Decrease in Shareholdin	Reason	Cumulative Shareholding during the year
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		No. Shares at the beginning/ end of the year	% of total shares of the company		g		No. of shares	% of total shares of the company
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**v. Shareholding of Directors and Key Managerial Personnel- NIL**

Sr. No.	Name of Director/Key managerial Personnel	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares at the beginning / end of the year	% of total shares of the Company				No. of shares	% of total shares of the company

**V.INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (01-Oct-2014)	-	57,18,60,303	--	57,18,60,303
<b>i) Principal Amount</b>	--	--	--	--
<b>ii) Interest due but not paid</b>	--			
<b>iii) Interest accrued but not due</b>				
<b>Total (i+ii+iii)</b>	-	57,18,60,303	--	57,18,60,303

Change in Indebtedness during the financial year	--			
- Addition	--	86,97,306	--	86,97,306
- Reduction		--	--	--
Net Change	--	86,97,306	--	86,97,306
Indebtedness at the end of the financial year (31-Mar-2016)				
i) Principal Amount	-	58,05,57,609	--	58,05,57,609
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
Total (i+ii+iii)	-	58,05,57,609	--	58,05,57,609

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager: N.A.

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
1.	Gross salary  (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961  (b) Value of perquisites u/s 17(2) Income-tax Act, 1961  (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961					
2.	Stock Option					
3.	Sweat Equity					
4.	Commission - as % of profit - others, specify...					

5.	Others, please specify					
6.	Total (A)					
	Ceiling as per the Act					

**B. Remuneration to other directors: NIL**

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
	<u>Independent Directors</u> · Fee for attending board committee meetings · Commission · Others, please specify					
	Total (1)					
	<u>Other Non-Executive Directors</u> · Fee for attending board committee meetings · Commission · Others, please specify					
	Total (2)					
	Total (B)=(1+2)					
	Total Managerial Remuneration					
	Overall Ceiling as per the Act					

**C. Remuneration to Key Managerial Personnel Other Than MD /Manager /WTD: N.A.**

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961  (b) Value of perquisites u/s 17(2) Income-tax Act, 1961				

	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2.	Stock Option				
3.	Sweat Equity				
4.	Commission - as % of profit - others, specify...				
5.	Others, please specify				
6.	Total				

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: N.A.**

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority[RD /NCLT/Court]	Appeal made. If any(give details)
<b>A. Company</b>					
Penalty					
Punishment					
Compounding					
<b>B. Directors</b>					
Penalty					
Punishment					
Compounding					
<b>C. Other Officers In Default</b>					
Penalty					
Punishment					
Compounding					

For and on behalf of the Board  
**Younthang Power Ventures Limited**

Kishor Kumar Mohanty  
Director  
DIN: 00080498

Mandar Gite  
Director  
DIN: 06651204

Place: Mumbai  
Date: 06.06.2016

## **INDEPENDENT AUDITOR'S REPORT**

**To the Members of  
Youngthang Power Ventures Limited**

### **Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of Youngthang Power Ventures Limited ("the Company"), which comprises the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the period from 1<sup>st</sup> October 2014 to 31<sup>st</sup> March 2016 ("period"), and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are

appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March, 2016, and its losses and its cash flows for the period ended on that date.

### **Emphasis of Matter**

Without qualifying our opinion, we invite attention to Note No. 9(a) of the Financial Statement, in relation to the company's intention to exit its project and seeking a claim of an amount against the amount spent on the project. The company has cited reasons for non-continuance on account of reasons beyond its control and is negotiating with its client for an amicable settlement on beneficial terms. The Company's exposure towards the said project is Rs.67,83,93,713/-. Pending conclusion between the parties, no adjustments have been made in the Financial Statement.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters Specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - (c) The Balance Sheet and Statement of Profit and Loss dealt with by this Report are in agreement with the books of account.

- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) If the matters mentioned in our emphasis of matter paragraph relating to the on-going negotiation with the government relating to the project under execution is not settled in favour of the company the same will have an adverse effect on the functioning of the Company.
- (f) On the basis of written representations received from the directors as on March 31, 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of section 164(2) of the Act
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has no pending litigations that will impact its financial position in its financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There are no amounts that are required to be transferred to the Investor education and Protection Fund.

For Natvarlal Vepari & Co.  
Chartered Accountants  
Firm Registration no.106971W

Ruchi Tamhankar  
Partner  
Membership No. 136667

Mumbai, Dated: June 6, 2016



## **ANNEXURE TO AUDITOR'S REPORT**

- i) (a) The Company has generally maintained proper records showing full particulars including quantitative details and situation of its fixed assets.  
  
(b) Fixed assets have been physically verified by the management during the period and no material discrepancies were identified on such verification.
- ii) The company does not have any inventory and hence clause 3(ii)(a), 3(ii)(b) and 3(ii)(b) of the Companies (Auditor's Report) Order 2015 are not applicable.
- iii) The Company has not granted unsecured interest free loans to any party covered in the register maintained u/s 189 of the Companies Act, 2013 and hence clause 3(iii) of the Companies (Auditor's Report) Order 2015.
- iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets. The Company did not have any transactions of purchase of goods and fixed assets and sale of goods or services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.
- v) The Company has not accepted any deposit from the public pursuant to sections 73 to 76 or any other relevant provisions of the Companies Act 2013 and rules framed thereunder. Therefore, clause 3(v) of the Companies (Auditors Report) Order 2015 is not applicable to the Company. As informed to us, there is no order that has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in respect of the said sections.
- vi) According to the information and explanation given to us, the Company is not required to maintain the cost records prescribed u/s 148(1) of the Companies Act, 2013 and hence clause 3(vi) of the Companies (Auditors' Report) Order 2015 is not applicable.
- vii) a) The Company has been generally regular in depositing undisputed statutory dues with the appropriate authorities during the period. According to the information and explanations given to us, no undisputed amount payable in respect of the aforesaid dues were outstanding as at March 31, 2016 for a period of more than six months from the date of becoming payable.  
b) There are no disputed amounts that are required to be deposited with the relevant authorities.  
c) No Amount is required to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 2013 and Rules made thereunder.

- viii) The accumulated losses of the company are not in excess of fifty percent of its networth. *However the company has incurred cash losses in the current financial period and the immediately preceding financial period.*
- ix) According to the information and explanations given to us and based on the documents and records produced to us, the company has not obtained any loans from Banks or Financial Institutions. The company has not raised any funds by way of debentures. Hence clause 3(ix) of the Companies (Auditors Report) Order 2015 is not applicable.
- x) According to the information and explanations given to us and the representations made by the management, the Company has not given any guarantee for loans taken by others from any bank or financial institution and hence clause 3(x) of Companies (Auditors Report) Order 2013 is not applicable.
- xi) The company did not take any term loans during the period and hence clause 3(xi) of Companies (Auditors Report) Order 2015 is not applicable.
- xii) According to the information and explanations given to us and to the best of our knowledge and belief no fraud on or by the Company has been noticed or reported during the period.

For Natvarlal Vepari & Co.  
Chartered Accountants  
Firm Registration no.106971W

Ruchi Tamhankar  
Partner  
Membership No. 136667

Mumbai, Dated: June 6, 2016

**YOUNGTHANG POWER VENTURES LIMITED**  
**U40101HP2008PLC030953**  
**BALANCE SHEET AS AT MARCH 31, 2016**

Particulars	Notes	As at March 31, 2016 Rupees	As at September 30, 2014 Rupees
<b>Equity and liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	3	144,500,000	144,500,000
Reserves and surplus	4	(30,958,389)	(27,816,622)
		<b>113,541,611</b>	<b>116,683,378</b>
<b>Non - current liabilities</b>			
Long - term borrowing	5	580,557,609	571,860,303
Other long term liabilities	6	3,850,000	3,850,000
Long - term provisions	7	118,362	139,563
		<b>584,525,971</b>	<b>575,849,866</b>
<b>Current liabilities</b>			
Trade payables	6		-
- Total outstanding dues of MSME		-	
- Total outstanding dues of Trade payables other than MSME		30,000	
Other current liabilities	6	2,854,598	5,024,542
Short - term provisions	7	2,415	2,848
		<b>2,887,013</b>	<b>5,027,390</b>
<b>TOTAL</b>		<b>700,954,595</b>	<b>697,560,634</b>
<b>Assets</b>			
<b>Non current assets</b>			
Fixed assets			
Tangible assets	8	878,148	1,168,428
Intangible assets under development	9	678,393,713	673,145,933
Long-term loans and advances	10	8,186,068	6,930,913
Others non-current assets		-	-
		<b>687,457,929</b>	<b>681,245,274</b>
<b>Current assets</b>			
Cash and cash equivalents	11	296,740	1,544,179
Short-term loans and advances	10	13,199,926	14,771,181
Others current assets		-	-
		<b>13,496,666</b>	<b>16,315,360</b>
<b>TOTAL</b>		<b>700,954,595</b>	<b>697,560,634</b>

Summary of significant accounting policies 2.1

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For Natvarlal Vepari & Co.  
Chartered Accountants  
Firm Registration No. 106971W

For and behalf of the Board of Directors of  
Youngthang Power Ventures Limited

Ruchi Tamhankar  
Partner  
Membership No. : 136667

Kishore Kumar Mohanty  
Director  
DIN:0080498

Mandar Gite  
Director  
DIN:06651204

Place: Mumbai  
Date : June 6, 2016

**YOUNGTHANG POWER VENTURES LIMITED**  
**U40101HP2008PLC030953**

**STATEMENT OF PROFIT AND LOSS FOR THE EIGHTEEN MONTHS PERIOD ENDED MARCH 31, 2016**  
 (All amounts in Indian rupees unless otherwise stated)

Particulars	Notes	Eighteen Months Period ended March 31, 2016 Rupees	Nine Months Period ended September 30, 2014 Rupees
<b>Income</b>			
Revenue from operations		-	-
Other operating income		-	-
Other income	12	<u>55,890</u>	<u>86,262</u>
<b>Total income (A)</b>		<b><u>55,890</u></b>	<b><u>86,262</u></b>
<b>Expenses</b>			
Operating and Maintenance Expenses		-	-
Personnel Expenses		-	-
Other Expenses	13	<u>3,197,657</u>	<u>1,248,069</u>
<b>Total Expenses (B)</b>		<b><u>3,197,657</u></b>	<b><u>1,248,069</u></b>
<b>Earnings before interest, tax, depreciation and amortization (EBITDA) (A - B)</b>		<b>(3,141,767)</b>	<b>(1,161,807)</b>
Depreciation and amortization		-	-
Finance costs		-	-
<b>Profit/(Loss) before tax</b>		<b>(3,141,767)</b>	<b>(1,161,807)</b>
Tax expenses			
Current Tax		-	-
Deferred Tax		-	-
<b>Total tax expense</b>		<b>-</b>	<b>-</b>
<b>Profit/(Loss) for the year</b>		<b><u>(3,141,767)</u></b>	<b><u>(1,161,807)</u></b>
<b>Earnings per equity share ('EPS')</b>			
Basic	14	<b>(0.22)</b>	<b>(0.08)</b>
Diluted		<b>(0.22)</b>	<b>(0.08)</b>
(Nominal value of shares)		10.00	10.00

Summary of significant accounting policies

2.1

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For Natvarlal Vepari & Co.  
Chartered Accountants  
Firm Registration No. 106971W

For and behalf of the Board of Directors of  
Youngthang Power Ventures Limited

Ruchi Tamhankar  
Partner  
Membership No. : 136667

Kishore Kumar Mohanty  
Director  
DIN:0080498

Mandar Gite  
Director  
DIN:06651204

Place: Mumbai  
Date : June 6, 2016

**YOUNGTHANG POWER VENTURES LIMITED**  
**U40101HP2008PLC030953**  
**CASH FLOW STATEMENT FOR THE EIGHTEEN MONTHS ENDED MARCH 31, 2016**  
(All amounts in Indian rupees unless otherwise stated)

	<b>Eighteen Months ended</b>		<b>Nine Months ended</b>	
	<b>March 31, 2016</b>		<b>September 30, 2014</b>	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>				
Net Profit before Tax		(3,141,767)		(1,161,807)
Non cash adjustments for :				
Depreciation	-		-	
Write off of sundry balances	-	-	-	-
Operating profit before working capital changes		<u>(3,141,767)</u>		<u>(1,161,807)</u>
Movements in working capital :				
Increase/(decrease) in trade payables and other liabilities	(2,161,578)		2,920,431	
Decrease / (increase) in trade and other receivables	1,571,255	(590,323)	(4,944,803)	(2,024,372)
<b>Cash (used in) / generated from the operations</b>		<b>(3,732,090)</b>		<b>(3,186,179)</b>
Direct Taxes paid		(1,255,155)		(88,133)
<b>Net Cash (used in) / generated from the operations</b>		<b>(4,987,245)</b>		<b>(3,098,046)</b>
<b>B. CASH FLOW FROM INVESTMENT ACTIVITIES :</b>				
sale of asset		-		-
Payments made towards capital advances and intangible assets under development	(4,957,500)	(4,957,500)	(2,160,269)	(2,160,269)
<b>Net Cash (used in)/from Investment activities</b>		<b>(4,957,500)</b>		<b>(2,160,269)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>				
Proceeds for inter corporate deposits	8,697,306		5,040,000	
Interest Paid	-	8,697,306	-	5,040,000
<b>Net Cash (used in)/from financing activities</b>		<b>8,697,306</b>		<b>5,040,000</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		<b><u>(1,247,439)</u></b>		<b><u>(218,315)</u></b>
Closing balance of cash and cash equivalents		296,740		1,544,179
Opening balance of cash and cash equivalents		1,544,179		1,762,494
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		<b><u>(1,247,439)</u></b>		<b><u>(218,315)</u></b>
<b>Components of Cash and Cash Equivalents</b>		<b>0</b>		<b>(0)</b>
Cash and Cheques on hand		-		-
With Banks :				
- On Current Account		296,740		1,544,179
- On Deposit Account		-		-
<b>Total Components of Cash and Cash Equivalents</b>		<b><u>296,740</u></b>		<b><u>1,544,179</u></b>
Less : Fixed Deposits with Banks above 90 days		-		-
		<b><u>296,740</u></b>		<b><u>1,544,179</u></b>

Note : Figures in brackets denote outflows.

As per our report of even date.

For Natvarlal Vepari & Co.  
Chartered Accountants  
Firm Registration No. 106971W

For and on behalf of the Board of Directors of  
Youngthang Power Ventures Limited

Ruchi Tamhankar  
Partner  
Membership No. : 136667

Kishore Kumar Mohanty  
Director  
DIN:0080498

Mandar Gite  
Director  
DIN:06651204

Place: Mumbai  
Date : June 6, 2016

**YOUNGTHANG POWER VENTURES LIMITED**  
**U40101HP2008PLC030953**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO  
FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2016**

**1 Corporate profile**

Youngthang Power Ventures Limited (YPVL) was incorporated under the Companies Act, 1956, on August 29, 2008 to develop, maintain, operate of 261 MW run-of-the-river hydropower project on Spiti river in Kinnaur district of Himachal Pradesh under the Build Operate and Transfer (BOT) scheme. The pre-implementation agreement was signed on February 16, 2009.

**2 Basis of preparation**

The Financial Statements have been prepared to comply in all material respects with the notified accounting standards by the Companies Accounting Standards Rules, 2006 ( which are deemed to be applicable as per section 133 of the Companies Act 2013 read with rule 7 of the Companies ( Accounts) Rules, 2014 and the relevant provisions of the Companies Act 2013. The financial statements have been prepared under the historical cost convention, on an accrual basis of accounting.

The classification of assets and liabilities of the Company is done into current and non-current based on the operating cycle of the business of the Company. The operating cycle of the business of the Company is less than twelve months and therefore all current and non-current classifications are done based on the status of realisability and expected settlement of the respective asset and liability within a period of twelve months from the reporting date as required by Schedule III to the Companies Act, 2013.

The accounting policies discussed more fully below, are consistent with those used in the previous year.

**2.1 Summary of significant accounting policies**

**a. Use of estimates**

The preparation of financial statements in conformity with Indian GAAP requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring material adjustment to the carrying amounts of assets or liabilities in future periods.

**b. Provision for taxes**

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India.

Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and the deferred tax liabilities related to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961 and the Income Computation and Disclosure Standards issued by the Central Board of Direct Taxes.

**c. Borrowing costs**

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial period of time to get ready for its intended use are capitalized. Other borrowing costs are recognised as expenditure in the period in which they are incurred.

**d. Tangible assets**

Tangible assets are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition of its intended use. Any trade discounts and rebates are deducted in arriving at the cost of the tangible asset. Any subsequent expenses related to a tangible asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other day to day repairs and maintenance expenditure and the cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

**YOUNGTHANG POWER VENTURES LIMITED**  
**U40101HP2008PLC030953**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO  
FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2016**

**Depreciation on tangible assets**

Depreciation on all assets of the Company is charged on written down method over the useful life of assets at the rates and in the manner provided in Schedule II of the Companies Act 2013 for the proportionate period of use during the year. Depreciation on assets purchased /installed during the year is calculated on a pro-rata basis from the date of such purchase /installation.

Gains or losses arising from derecognition of tangible fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

**e. Intangible asset**

Intangible asset comprises the cost of 'Project Asset' being developed by the Company to be operated on a BOT basis as described in note 1.

Intangible asset under development is stated at cost of development less accumulated impairment losses, if any. Costs include direct costs of development of the project asset and costs incidental and related to the development activity. Costs incidental to the development activity, including financing costs on borrowings attributable to development of the project asset, are capitalised to the project asset till the date of completion of development.

**Amortisation of intangible assets**

Amortisation of the project asset is provided over the period of the BOT contract.

**f. Impairment of tangible and intangible assets**

The carrying amounts of assets including goodwill, are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

After impairment, the asset is depreciated or amortised on the revised carrying amount of the asset over its remaining useful life.

**g. Earnings per share**

Basic and diluted earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**h. Provisions**

A provision is recognised when the Company has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of obligation. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the reporting date. These are reviewed at each reporting date and adjusted to reflect the current best estimates.

**i. Cash and cash equivalents**

Cash and cash equivalents comprise of cash at bank and in hand and short-term investments with an original maturity of three months or less.

**j. Contingent Liability**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle an obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

**k. Segment reporting**

Business segments have been identified on the basis of the nature of services, the risk return profile of individual business, the organizational structure and the internal reporting system of the Company.

**YOUNGTHANG POWER VENTURES LIMITED**

**U40101HP2008PLC030953**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO  
FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2016**

**l. Employee benefits**

Gratuity

Gratuity is a defined benefit plan under which the employees are entitled to receive gratuity calculated based on the number of years of service and their last drawn salary at the time of retirement.

Leave encashment:

Leave encashment liability is recognised on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

**m. Measurement of EBITDA**

The Company measures EBITDA on the basis of profit/(loss) from continuing operations. In the measurement, the Company does not include depreciation and amortisation expense, finance costs and tax expense.



**YOUNGTHANG POWER VENTURES LIMITED**  
**U40101HP2008PLC030953**  
**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO**  
**FINANCIAL STATEMENTS FOR THE EIGHTEEN MONTHS PERIOD ENDED MARCH 31, 2016**  
(All amounts in Indian rupees unless otherwise stated)

**3 Share capital**

Particulars	As at March 31, 2016 Rupees	As at September 30, 2014 Rupees
<b>Authorised shares :</b>		
14,450,000 (December 31, 2013 : 1,44,50,000) equity shares of Rs. 10/- each	144,500,000	144,500,000
<b>Total</b>	<b>144,500,000</b>	<b>144,500,000</b>
<b>Issued, subscribed and fully paid-up shares :</b>		
14,450,000 (December 31, 2013 : 1,44,50,000) equity shares of Rs. 10/- each	144,500,000	144,500,000
<b>Total issued, subscribed and fully paid-up share capital</b>	<b>144,500,000</b>	<b>144,500,000</b>

**a) Shares held by holding/ultimate holding company and/or their subsidiaries/associates :**

Name of the legal shareholder	As At March 31, 2016		As At September 30, 2014	
	Numbers	Rupees	Numbers	Rupees
Gammon Infrastructure Projects Limited (GIPL), Holding company	14,450,000	144,500,000	14,450,000	144,500,000
<b>Total</b>	<b>14,450,000</b>	<b>144,500,000</b>	<b>14,450,000</b>	<b>144,500,000</b>

**b) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting period**

Particulars	As At March 31, 2016		As At September 30, 2014	
	Numbers	Rupees	Numbers	Rupees
At the beginning of the year	14,450,000	144,500,000	14,450,000	144,500,000
Allotted to promoter companies	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>14,450,000</b>	<b>144,500,000</b>	<b>14,450,000</b>	<b>144,500,000</b>

**c) Terms/rights attached to equity shares**

The Company has only one class of shares referred to as equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

**d) Shares held by holding company/ultimate holding company and/or their subsidiaries/ associates and details of shareholders holding more than 5% shares in the Company**

Shareholders holding more than 5% shares in the Company	As At March 31, 2016		As At September 30, 2014	
	Numbers	% of holding	Numbers	% of holding
<b>Equity shares of Rs 10 each fully paid up</b>				
Gammon Infrastructure Projects Limited	14,450,000	100.00%	14,450,000	100.00%

As per the records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of the shares.

**4 Reserves and surplus :**

Particulars	As at March 31, 2016 Rupees	As at September 30, 2014 Rupees
<b>Surplus in the statement of profit and loss</b>		
Balance as per the last financial statements	(27,816,622)	(26,654,815)
Add : Loss for the year	(3,141,767)	(1,161,807)
<b>Net surplus in the statement of profit and loss</b>	<b>(30,958,389)</b>	<b>(27,816,622)</b>
<b>Total reserves and surplus</b>	<b>(30,958,389)</b>	<b>(27,816,622)</b>

**5 Long term borrowings :**

Particulars	Non current		Current	
	March 31, 2016 Rupees	September 30, 2014 Rupees	March 31, 2016 Rupees	September 30, 2014 Rupees
<b>Unsecured loans</b>				
Interest free inter corporate deposits from GIPL (repayable on March 31, 2018)	580,557,609	571,860,303	-	-
<b>Total long term borrowings</b>	<b>580,557,609</b>	<b>571,860,303</b>	<b>-</b>	<b>-</b>

**6 Other liabilities**

Particulars	Non Current		Current	
	March 31, 2016 Rupees	September 30, 2014 Rupees	March 31, 2016 Rupees	September 30, 2014 Rupees
<b>Trade payable</b>				
to MSME				
to Others			30,000	39,326
<b>Other liabilities</b>				
Statutory dues payable	-	-	251,924	1,106,076
Staff Payable			85,350	204,850
Deposit towards directorship from GIPL			-	-
Performance deposit from vendor	3,850,000	3,850,000	-	-
Other liabilities	-	-	2,406,868	3,555,729
Other dues to related parties				
- Gammon India Limited	-	-	-	8,105
- Sikkim Hydro Power Ventures Limited	-	-	110,456	110,456
<b>Total other current liabilities</b>	<b>3,850,000</b>	<b>3,850,000</b>	<b>2,884,598</b>	<b>5,024,542</b>

**YOUNGTHANG POWER VENTURES LIMITED**  
**U40101HP2008PLC030953**  
**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO**  
**FINANCIAL STATEMENTS FOR THE EIGHTEEN MONTHS PERIOD ENDED MARCH 31, 2016**  
(All amounts in Indian rupees unless otherwise stated)

**7 Provisions :**

Particulars	Non Current		Current	
	March 31, 2016 Rupees	September 30, 2014 Rupees	March 31, 2016 Rupees	September 30, 2014 Rupees
Provision for leave encashment	93,957	120,156	1,917	2,452
Provision for gratuity	24,405	19,407	498	396
<b>Total Provisions</b>	<b>118,362</b>	<b>139,563</b>	<b>2,415</b>	<b>2,848</b>

**Gratuity**

Gratuity is a defined benefit plan under which the employees are entitled to receive gratuity calculated based on the number of years of service and their last drawn salary at the time of retirement. The plan is not funded by the Company.

The following tables summarizes the components of net benefit expense recognised in the statement of profit and loss and in the balance sheet:

Particulars	March 31, 2016 Rupees	September 30, 2014 Rupees
Net employees benefit expense (recognised in personnel cost)		
Current service cost	6,149	22,471
Interest cost	2,673	4,435
Actuarial (gain)/loss recognised in the year	(3,722)	(46,658)
Short/(excess) provision accounted in earlier year		
<b>Total</b>	<b>5,100</b>	<b>(19,752)</b>

Particulars	March 31, 2016 Rupees	September 30, 2014 Rupees
<b>The changes in the present value of the defined benefit obligation are as follows:</b>		
Defined benefit obligation as at beginning of the year	19,803	39,555
Current service cost	6,149	22,471
Interest cost	2,673	4,435
Liability transferred out	-	-
Actuarial (gain)/loss (on account of experience adjustments)	(3,722)	(46,658)
<b>Defined benefit obligation at year end</b>	<b>24,903</b>	<b>19,803</b>

Particulars	March 31, 2016 Rupees	September 30, 2014 Rupees
<b>Breakup of actuarial gain/loss:</b>		
Actuarial (gain)/loss on obligation for the year	(3,722)	(46,658)
Less: (Gain)/loss on experience adjustment	-	-
<b>Changes in actuarial assumptions</b>	<b>(3,722)</b>	<b>(46,658)</b>

The provision of gratuity at year end is Rs. 24,903/- (previous year - Rs. 19,803/-). As the Company's gratuity obligation is unfunded, the Company does not expect to contribute any amounts to its gratuity plan in the next year.

**The principal assumptions used in determining the gratuity obligations are as follows:**

Particulars	Period ended March 31, 2016	Period ended September 30, 2014
Discount rate	7.99%	9.50%
Salary escalation	5.00%	5.00%
Attrition rate	2.00%	2.00%

The estimates of future salary increases, considered in the actuarial valuation take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market

**8 Tangible assets**

Particulars	Computers (Rupees)	Plant & Machinery (Rupees)	Furniture & Fixtures (Rupees)	Office Equipments (Rupees)	Motor Vehicles (Rupees)	Total (Rupees)
<b>Cost or valuation</b>						
As at January 1, 2014	78,900	918,750	21,800	-	583,518	1,602,968.00
Additions	-	-	-	-	-	-
Sales/Disposals/Adjustments	-	-	-	-	-	-
<b>As at September 30, 2014</b>	<b>78,900</b>	<b>918,750</b>	<b>21,800</b>	<b>-</b>	<b>583,518</b>	<b>1,602,968.00</b>
Additions	-	-	-	-	-	-
Sales/Disposals/Adjustments	-	-	-	-	-	-
<b>As at March 31, 2016</b>	<b>78,900</b>	<b>918,750</b>	<b>21,800</b>	<b>-</b>	<b>583,518</b>	<b>1,602,968.00</b>
<b>Depreciation</b>						
As at January 1, 2014	27,646	101,271	2,982	-	217,940	349,839.00
Charge for the period	9,566	32,641	1,032	-	41,462	84,701.00
Sales/Disposals/Adjustments	-	-	-	-	-	-
<b>As at September 30, 2014</b>	<b>37,212</b>	<b>133,912</b>	<b>4,014</b>	<b>-</b>	<b>259,402</b>	<b>434,540.00</b>
Charge for the period*	41,688	98,645	3,761	-	146,186	290,279.68
Sales/Disposals/Adjustments	-	-	-	-	-	-
<b>As at March 31, 2016</b>	<b>78,900</b>	<b>232,557</b>	<b>7,775</b>	<b>-</b>	<b>405,588</b>	<b>724,820</b>
<b>Net Block</b>						
<b>As at September 30, 2014</b>	<b>41,688</b>	<b>784,838</b>	<b>17,786</b>	<b>-</b>	<b>324,116</b>	<b>1,168,428.00</b>
<b>As at March 31, 2016</b>	<b>-</b>	<b>686,193</b>	<b>14,025</b>	<b>-</b>	<b>177,930</b>	<b>878,148</b>

Pursuant to the first time applicability of Schedule II of the Companies Act, 2013 to the Company from October 1, 2014, the Company has revised the depreciation rate on fixed assets as per the useful life specified in the said Schedule. Due to this, depreciation for the period from October 1, 2014 to March 31, 2016 is higher by Rs. 176,452/-.

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**9 Intangible assets under development**

Particulars	As at	As at
	March 31, 2016	September 30, 2014
	Rupees	Rupees
Project Expenses	544,287,808	544,273,197
Financial Costs	101,946,516	101,946,516
Personnel Costs	13,828,865	12,647,866
Depreciation expenses (refer Note 8)	733,734	443,454
Administration expenses	17,596,790	13,834,900
<b>Total intangible assets under development</b>	<b>678,393,713</b>	<b>673,145,933</b>

a During the period, the Company has initiated correspondence with the State Government for exiting from the project primarily due to inability of the state government in resolving the local agitations related to environmental issues because of which the Company was forced to stop its geological studies at the project site. The Project expense above includes an upfront premium of Rs. 528,525,000 paid by the Company to the State Government and has incurred further expenses on development of project amounting to Rs. 149,866,855. The Company in lieu of exit has sought compensation towards the amounts spent on the project till date. The Company believes that it has a strong case in this matter and will not eventually have any financial loss.

**10 Loans and Advances :**

Particulars	Non Current		Current	
	March 31, 2016	September 30, 2014	March 31, 2016	September 30, 2014
	Rupees	Rupees	Rupees	Rupees
Unsecured, considered good				
Capital advances	168,928	168,928	-	-
Advance recoverable in cash or in kind - Advance to staff	-	-	-	-
Other loans & advances - prepaid expenses	-	-	-	-
Deposit given	5,700,000	5,700,000	-	-
	<b>5,868,928</b>	<b>5,868,928</b>	-	-
Service Tax Recoverable	-	-	-	820,455
Advance tax (net of provision)	2,317,140	1,061,985	-	-
<b>Other receivables from related parties</b>				
Gammon Infrastructure Projects Limited	-	-	11,363,564	8,323,085
Andhra Expressway Limited	-	-	-	1,393,773
Mumbai Nasik Expressway Limited	-	-	-	1,639,733
Tidong Hydro Power Limited	-	-	1,836,362	1,200,362
Rajahmundry Expressway Limited	-	-	-	1,393,773
	<b>2,317,140</b>	<b>1,061,985</b>	<b>13,199,926</b>	<b>14,771,181</b>
<b>Total Loans and Advances</b>	<b>8,186,068</b>	<b>6,930,913</b>	<b>13,199,926</b>	<b>14,771,181</b>

There are no transactions of loans and advances in the nature of loan to subsidiaries, associates etc. as required under listing agreement and the investments by the loanee in the share of the company.

**11 Cash and cash equivalents**

Particulars	As at	As at
	March 31, 2016	September 30, 2014
	Rupees	Rupees
Balances with banks :		
in current account	296,740	1,544,179
<b>Total cash and cash equivalents</b>	<b>296,740</b>	<b>1,544,179</b>

**12 Other income**

Particulars	Eighteen Months	Nine Months
	Period ended	Period ended
	March 31, 2016	September 30, 2014
	Rupees	Rupees
Interest on Income Tax Refund	47,785	86,262
Sundry balances written back	8,105	-
<b>Total other income</b>	<b>55,890</b>	<b>86,262</b>

**13 Other expenses**

Particulars	Eighteen Months	Nine Months
	Period ended	Period ended
	March 31, 2016	September 30, 2014
	Rupees	Rupees
ROC filing fees	13,010	-
Office rent	3,154,647	1,208,743
as statutory auditor for audit fees	30,000	39,326
as other services	-	-
	-	-
<b>Total other expenses</b>	<b>3,197,657</b>	<b>1,248,069</b>

**14 Earnings per share (EPS)**

Particulars	Eighteen Months	Nine Months
	Period ended	Period ended
	March 31, 2016	September 30, 2014
	Rupees	Rupees
The following reflects the profit and equity share data used in the basic and diluted EPS computation.		
Profit after tax (PAT)	(3,141,767)	(1,161,807)
Outstanding equity shares at period end	14,450,000	14,450,000
Weighted average number of equity shares for calculating Basic EPS	14,450,000	14,450,000
Weighted average number of equity shares for calculating Diluted EPS	14,450,000	14,450,000
Nominal value of equity shares (Rs. per share)	10	10
Basic EPS	<b>(0.22)</b>	<b>(0.08)</b>
Diluted EPS	<b>(0.22)</b>	<b>(0.08)</b>

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**15 Operating leases**

The Company has taken office premises on operating leases (non-cancellable). The monthly lease rents amounts to Rs. 11,13,500/- (previous year - Rs. 950,000). The disclosures as per Accounting Standard 19 'Leases' notified under the Companies (Accounting Standards) Rules, 2006 are as under:

Particulars	March 31, 2016 Rupees	September 30, 2014 Rupees
Minimum lease payments		
i. Payable not later than 1 year	Nil	13,110,000
ii. Payable later than 1 year and not later than 5 years	Nil	3,277,500
iii. Payable not later than 5 year	Nil	Nil
iv. Lease payment recognised in the statement of profit and loss	3,154,647	1,208,743

**16 Related party transactions**

**a) Names of the related parties and related party relationships**

**Related parties where control exists :**

1. Gammon India Limited Ultimate holding company
2. Gammon Infrastructure Projects Limited Holding company

**Fellow subsidiaries:**

1. Andhra Expressway Limited
2. Mumbai Nasik Expressway Limited
3. Rajahmundry Expressway Limited
4. Sikkim Hydro Power Ventures Limited
5. Tidong Hydro Power Limited

**b) Related party transactions**

Transactions	Entities where control exists	Fellow subsidiaries	Total
Inter corporate borrowing received from: Gammon Infrastructure Projects Ltd.	8,697,306 (5,040,000)		8,697,306 (5,040,000)
Expenses incurred by the Company on behalf of : Gammon Infrastructure Projects Ltd.	17,100,000 (7,407,839)		17,100,000 (7,407,839)
Tidong Hydro Power Limited		528,500 (444,458)	528,500 (444,458)
Andhra Expressway Limited		-	-
Mumbai Nasik Expressway Limited		(790,790) 943,920	(790,790) 943,920
Rajahmundry Expressway Limited		(930,341) -	(930,341) -
Expenses incurred on behalf of the Company : Gammon Infrastructure Projects Ltd.	42,470,044 (5,206,130)		42,470,044 (5,206,130)
Sikkim Hydro Power Ventures Limited		-	-
Write off of balances :			-
Andhra Expressway Limited		1,827,126 (-)	1,827,126 (-)
Rajahmundry Expressway Limited		1,827,126 (-)	1,827,126 (-)
Outstanding loan balance payable to alongwith interest thereon Gammon Infrastructure Projects Ltd.	580,557,609 (571,860,303)		580,557,609 (571,860,303)
<u>Outstanding balance payable to:</u> Sikkim Hydro Power Ventures Limited		110,456 (110,456)	110,456 (110,456)
Gammon India Limited	-		-
	(8,105)		(8,105)
<u>Outstanding balance receivable from:</u> Gammon Infrastructure Projects Ltd.	11,363,564 (8,323,085)		11,363,564 (8,323,085)
Andhra Expressway Limited		-	-
Mumbai Nasik Expressway Limited		(1,393,773) -	(1,393,773) -
Rajahmundry Expressway Limited		(1,639,733) -	(1,639,733) -
Tidong Hydro Power Limited		(1,393,773) 1,836,362 (1,200,362)	(1,393,773) 1,836,362 (1,200,362)

(Previous period's figure in brackets)

**17 Segmental reporting**

The Company has been incorporated as a Special Purpose Vehicle for carrying out a single infrastructure activity of electricity generation using renewable / non-conventional sources of energy under Public Private Partnership scheme. Further, the Company's operations are within a single geographical segment which is India.

- 18** In the opinion of the management, all the assets except fixed assets and current investments have a realizable value in the ordinary course of business not less than the amount at which they are stated in the balance sheet and provision for all known liabilities and doubtful assets have been made.

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**19 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006**

As per the information available with the Company, there are no Micro, Small, and Medium Enterprises, as defined in the Micro, Small, and Medium Enterprises Development Act, 2006, to whom the Company owes dues on account of principal or interest.

The above information regarding Micro, Small, and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

**20 Contingent liabilities**

There are no contingent liabilities as at March 31, 2016 & September 30, 2014.

**21** Previous period figures have been regrouped / reclassified wherever necessary. The current period is for the period from October 1, 2014 to March 31, 2016. The comparative figures for the previous period are for a nine month period from January 1, 2014 to September 30, 2014. The figures are not strictly comparable.

As per our report of even date

For Natvarlal Vepari & Co.  
Chartered Accountants  
Firm Registration No. 106971W

For and behalf of the Board of Directors of  
Youngthang Power Ventures Limited

Ruchi Tamhankar  
Partner  
Membership No. : 136667

\_\_\_\_\_  
Kishore Kumar Mohanty  
Director  
DIN:0080498

\_\_\_\_\_  
Mandar Gite  
Director  
DIN:06651204

Place: Mumbai  
Date: 06-Jun-16